

The Actuarial Profession

making financial sense of the future

Actuarial Standards Board

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Agenda

Introduction

Fundamentals

Next Steps

Scope of Act SB

Rationale

Introduction

Tom Ross mentioned in his Presidential Address

Life Board and Professional Affairs Board considered in 2002

FIMC set up a Task Force to investigate

Presidents' Group recommended to FIMC

Concept been discussed since 2001

Rationale

Maintain and build public confidence

Public perception that highest standards are being achieved

Unconflicted accountability

Formal standard setting process

Consistency

- Wide range of options
- "Professional judgement"
- Commercial investments
- Innovative thinking

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Fundamentals

Independent Act SB

Case for Self - Regulation

Accountability of Act SB

- Authority ceded by Councils
- Clearly stated objectives
- Constitution of operation
- Renewable agreement
- Independent appointment process (see Disciplinary Scheme)
- Duty to report to Council/Members

Structure

- Small number of members (probably 6)
- At least half non-actuaries
- Chairman to be non-actuary
- Part-time Chief Executive

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Scope for Act SB

- Both technical and behavioural/ethical dimensions
- Mandatory
- Need for new standards
- Revising existing standards
- Draw on expertise of Boards and Committees to draft standard
- Wide consultation on draft standards
- **NOT** monitoring of compliance with standards

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